



NORTH CAROLINA
OFFICE OF THE GOVERNOR

Sitdown with Triangle, Triad and Charlotte Biz Journals

TO: Kristi Jones
FROM: Sadie
SUBJECT: Interview with Triangle, Triad and Charlotte Biz Journals
COPY: Carol Young, Eric Wilson

REPORTER AND OUTLET:

- Dane Huffman, managing editor, Triangle Business Journal
- Lauren Ohnesorge, senior staff writer, Triangle Business Journal
- Erik Spanberg, senior staff writer, Charlotte Business Journal
- Ashley Fahey, staff writer, Charlotte Business Journal
- Josh Manning, videographer

TOPIC: Issues relevant to the business community – economic development, education, workforce readiness, health care. ACP, CSX, Amazon, Toyota are all likely to come up.

INTERVIEW DATE: Friday, March 23, 2018

INTERVIEW TIME: 2 – 2:45 pm

INTERVIEW LOCATION: Mansion

IN-PERSON or PHONE: In person

LIVE OR RECORDED (if radio): The Business Journals will have a videographer there. Snippets of the interview will be posted online.

BACKGROUND: Sougata Mukherjee, editor of the Triangle Business Journal, has asked for the Business Journals to have a sitdown with the Governor to cover a range of topics important to North Carolina's business community.

This is an opportunity to push for priorities like Medicaid expansion, workforce readiness, and investments in education.

SUGGESTED TALKING POINTS

The following topics are likely for discussion:

Amazon

- North Carolina is still in the hunt for Amazon because we repealed HB2.
- We have a lot of factors in our favor when you look at what Amazon wants for their HQ2:
 - Workforce – Between our research universities, our HBCUs and our community college system, we have the workforce Amazon needs.
 - Diversity – Tech companies have a real need to improve their diversity, and we have more HBCUs than any other state in the country. Tech companies are also pushing to hire more women. According to the NC Tech Association, out of all the states, North Carolina's tech workforce has the highest percentage of women.
 - Quality of Life – We've long been a desirable state because of the great quality of life here – affordable cost of living, close to the mountains and the beach. In recent years, we've got an added "hip factor" that is hard to beat. Look at our award-winning chefs, our craft breweries, greenways and parks.

ACP

- The Atlantic Coast Pipeline answers an energy need for North Carolina and moves our state away from high-pollution alternatives like coal-fired power plants.
- Through the regulatory process, state officials have taken rigorous steps to ensure safe construction and preserve clean water and the integrity of communities along the pipeline.

- With increased access to natural gas, we can recruit jobs, economic development, and growth where our state needs it most.
 - But many economic developers and local leaders in eastern North Carolina are concerned that without gas extension lines off the main pipeline, they wouldn't reap the economic benefits of the pipeline.
 - Those extensions are expensive, which is why we worked to establish a new fund that could be used for gas extension lines.
 - It could also have been used for renewable energy projects – which are good for the environment and the economy.
 - Unfortunately, legislative Republicans raided that fund in a political power grab.
 - They have indicated they are open to funding those gas extension lines, and I hope they figure out a way to help eastern North Carolina instead of hurting them.

CSX

- We believe in Eastern NC, and state officials continue to have conversations with CSX about the Rocky Mount location. It will be a great home for this or another exciting project.
- The talks have advanced with each conversation and we feel comfortable that we will be close to the finish line in the coming months.
- We will continue to work with CSX as they shape the project at the Rocky Mount location.
- The recent job announcements in Edgecombe County (Triangle Tyre and Corning) highlight the value of Eastern NC, and we're excited about what we believe is on the horizon.

Q: How much will CSX invest?

A: CSX has invested heavily in the project (for example, buying the land) and the State's investment is expected to be in line with the original plan (roughly \$100 million)

Q: What kind of facility will it be?

A: It will no longer be a hub and spoke as CSX has moved away from that model. It is expected to be an intermodal facility (truck to train and vice versa).

Q: Why has it been reported that the project is dead?

A: CSX is no longer using the hub and spoke model, but their desire for an intermodal facility remains.

Q: What would the timeline be for opening the facility?

A: We hope the facility would be operating in 2020.

Workforce Readiness

- Workforce readiness is the key to our economic development success.
- When I'm recruiting companies to locate here, the first thing they ask is whether North Carolina has the workforce to fill the jobs they will create.
- I've made workforce and job readiness the priority, and we have to get innovative and creative in thinking about how we train people for the jobs of today and tomorrow.
- I am working on my budget recommendations and workforce is a key area of focus.
- See attached press release on *NC Job Ready* for more

Taxes

- Wealthy people in North Carolina don't need more tax cuts. But teachers need more pay raises. And schools need more resources.
- If our state continues to give tax benefits to the top earners, it will tie our hands and cripple our ability to invest in things like education.

Medicaid Expansion/Closing the Coverage Gap

- In North Carolina we have a health care coverage gap. There are hundreds of thousands of people who make too much to qualify for Medicaid, but not enough to afford insurance on the private market.
- There is a way we can close that coverage gap to help people stay healthier while also boosting our economy. And it wouldn't cost the state anything.
- If we expand Medicaid, it would create 43,000-plus jobs in the first five years.
- Half a million more North Carolinians could get health care coverage – including 150,000 with opioid-use disorder.
- (see attached handout for more)

On work requirement:

Most of the people who would qualify for expanded Medicaid are already working. I have serious concerns about a work requirement, but I am glad that some House Republicans support increased access to Medicaid with a work requirement.

Toyota

- It was disappointing not to get Toyota. Ultimately, we just didn't have their supply chain in the right places.
- But it's a big deal that we came as close as we did, and I'm confident that we will land something great for that megasite.
- We now know what we need to do to get the site more prepared to host a new employer, and that will help us land the next big thing.

Hometown Strong

- We can't just focus on our urban areas when it comes to boosting our economy.
- Hometown Strong has created a state action team to form partnerships with local leaders to champion North Carolina's rural communities. Through these partnerships, Hometown Strong will work with local leaders to identify and assess community needs and opportunities and implement focused plans to boost the economy, improve infrastructure and strengthen North Carolina's hometowns.
- I grew up and raised my family in Nash County, practicing law there for 18 years. Small towns and rural communities like mine offer special opportunities for so many families. Too often, local leaders are forced to do more with less and have difficulty getting state government's attention. That shouldn't happen
- We need state government to work efficiently and keep open lines of communication with local governments. We should listen to local leaders about their opportunities and challenges and let their innovation guide the way.
- That's why we launched Hometown Strong. We've appointed a small action team to work with local leaders to identify needs and opportunities and connect them leaders throughout state government.

- We want to increase communication and collaboration to help communities work with state government and get the tools and resources they need:
- Maybe it's connecting someone with the Main Street and Rural Planning Center or helping cut through red tape on an infrastructure project.
- Maybe it's getting the right people around the table to talk about needs and how we can work together to address them.
- We will be announcing initial counties this Spring and creating new templates for assessing local needs and improving communication to address them.
- My administration is putting an emphasis on rural North Carolina and using the convening power of the Governor's office to ensure that state government is communicating more clearly, working more efficiently, and doing the most to serve communities in every part of our state.

Employment Information For BACKGROUND

We now have a full year of seasonally adjusted employment data since Gov. Cooper took office.

NC's January 2018 unemployment rate decreased 0.4 from a year ago, down to 4.5 percent.

That rate is unchanged over the last several months.

North Carolina is still above the national average of 4.1 percent, but has remained stable.

More people are working: The number of people employed increased 85,879 over the year. The number of people unemployed decreased 20,263 over the year.

When compared to the same month last year, January 2017, unemployment rates decreased in all 100 counties as of January, 2018. All

15 metro areas experienced rate decreases over the year. (Not seasonally adjusted)

Snapshot of monthly county employment figures:

| | Counties With Rates 5% or Below | Counties With Rates Between 5% and 10% | Counties With Rates 10% or Above |
|---------------|---------------------------------|--|----------------------------------|
| January 2018 | 55 | 42 | 3 |
| December 2017 | 67 | 32 | 1 |

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Governor Cooper Announces NC Job Ready, Key Priorities for Workforce Development

RALEIGH
Feb 13, 2018

Governor Roy Cooper today laid out his priorities for workforce development, a primary focus for his administration as he seeks to ensure more North Carolinians are ready for the jobs of today and tomorrow. Cooper spoke at Vernon Malone College and Career Academy to highlight the core principles of his job readiness initiative, NC Job Ready.

“I want North Carolinians to be better educated, healthier, and have more money in their pockets so that they can live more abundant, purposeful lives,” said Gov. Cooper. “The linchpin to achieving that goal is to help people get good-paying jobs to support themselves and their families.”

Cooper’s initiative is built on three core principles: skills and education attainment so North Carolinians are ready for the jobs of today and tomorrow, employer leadership to remain relevant to evolving industry needs, and local innovation to take great ideas and apply them statewide.

“Business leaders tell me time and again that they have job openings but can’t find workers with the right skills,” Gov. Cooper said. “A better trained workforce can help businesses grow and give workers new opportunities.”

Tomorrow, Gov. Cooper will speak to the NCWorks Commission to present his priority agenda items. Successful workforce development is collaborative and the NCWorks Commission convenes this partnership among education, business, government and community leaders.

“Getting North Carolina job ready means helping people get the skills they need for better-paying jobs and then connecting businesses to those workers,” Gov. Cooper added. “An educated, well-trained workforce will strengthen North Carolina companies, attract new businesses, and ensure we can adapt to a changing economy.”

NC Job Ready priorities are focused in the following areas:

Skills and Education Attainment

Education is the foundation to a strong workforce. As the skill requirements of jobs are increasing and rapidly changing, businesses need to find people with the right skills for the jobs they create and North Carolinians need access to training so they can be ready for those jobs.

- **Career awareness.** Every North Carolinian needs access to career information that will tell them which jobs are growing in their area and which training programs can prepare them for those jobs. Career exploration includes individual experiences with employers and access to data and career exploration tools.
- **Making North Carolina a Top Ten Educated State.** Governor Cooper has laid out a goal to make North Carolina a Top Ten Educated State by 2025 by increasing the number of four-year-olds enrolled in high quality pre-K, raising the high school graduation rate, and increasing the number of North Carolinians with a post-secondary degree or credential. An educated North Carolina is a job-ready North Carolina.
- **Easier access to job training for high-demand fields.** Too many employers have job openings they can’t fill because they can’t find workers with the right skills. It should be easier for workers to get the training in those fields and keep our employers growing. Already, North Carolina has developed 27 Certified Career Pathways to help North Carolinians get the education and training needed to work in high-demand, high-wage careers, with additional pathways being developed.
- **Lower barriers to education.** The cost of school is more than tuition. Supporting North Carolinians who need help with things like childcare, transportation and the cost of books and materials while they get trained for a new career is critical. Internet access can also be a barrier that must be addressed, from kindergarten through college and career.

Employer Leadership

Employer-led job training programs have the best career outcomes. Employers know best what skills their workers need and employer involvement is key for workforce development and job readiness. Businesses that invest in developing North Carolina’s workforce will benefit from well-trained employees and a more innovative workplace that better reflects its community.

- **Increased work-based learning opportunities.** The governor is asking employers to partner with educators to offer more work-based learning opportunities to give students

a taste of the technical skills associated with a given career, expose students to critical soft skills needed to be successful, and equip them with the tools to decide if it's the right path. That starts with employers getting involved in their local schools to increase students' career awareness and understanding of the jobs available now and in the future. Work-based learning also includes internships and apprenticeships where students experience real-world professional environments and learn new skills specific to the job they hope to pursue. North Carolina is currently one of six states selected for a project to create and expand work-based learning opportunities to connect young people with career opportunities through the National Governors Association Center for Best Practices.

- **Employer-led training for new and existing employees.** Enabling employers to offer training both on their own and in partnership with local schools is crucial to developing a job-ready North Carolina. Successfully upskilling workers will enable employers to promote from within and bring in new employees to fill the vacancies.
- **Streamlined employer partnership.** As market dynamics shift quickly, North Carolina needs to be adaptive and responsive to the evolving needs of businesses. All agencies engaged in economic and workforce development will collaborate to fully understand business needs and efficiently deliver the right services to address those needs.

Local Innovation

Communities across North Carolina are developing great local models of workforce development. North Carolina should build on those successes and replicate them in more places to continue building and expanding innovative solutions.

- **Leadership development.** Local education and workforce partnerships drive successful career readiness plans. Investing further in these local leaders will increase the capacity of their programs and help them drive change in their communities. For example, the North Carolina Department of Commerce and the North Carolina Association of Workforce Development Boards are investing in additional training and support of career center staff and local workforce boards.
- **Innovation and replication funds.** Local leaders know their communities best, and they deserve support in piloting new ideas designed for their areas. When those innovations are successful, other communities throughout the state should hear about the success and have the tools and funds necessary to replicate proven programs. For example, the North Carolina Department of Commerce is supporting a call center pilot through the Capital Area Workforce Development Board and a sector partnership pilot through the Cumberland County Workforce Development Board.
- **Hometown Strong.** North Carolina's rural counties have unique workforce challenges, and they are also home to terrific examples of local innovation. Hometown Strong and NC Job Ready will work together to serve the workforce needs of rural communities.

